

## APPENDIX E

### DoD SPARE PARTS BREAKOUT PROGRAM

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#### PART 1 - GENERAL

E-101    Applicability.

(a) (i) All DLA DSCs except that DPSC and DFSC will implement only those portions of the DFARS as is feasible in the reduction of noncompetitive parts.

#### PART 2 - BREAKOUT CODING

E-201.1    Acquisition method codes (AMC)/Acquisition methods suffix codes (AMSC).

(a) A competitive AMC (1 or 2) shall be assigned to a part when a complete technical data package is available, or when there are two or more approved independent manufacturing sources, or when a nonmanufacturing prime and the actual manufacturer both independently contend for contracts. Notwithstanding the above, a part subjected to full screening and resulting in no potential for breakout may also be coded competitive if one or more dealers/distributors (nonmanufacturers) also exist and are expected to independently contend for contracts. Code changes made because of dealers/distributors shall be made as deliberate decisions on a case-by-case basis and not as an enmasse undertaking. This provision will not impact in any way on the opportunity for dealers/distributors to contend for contracts regardless of the assigned AMC/AMSC.

(b) When parts are received that are coded AMC 5, care shall be taken to assure that solicitation is accomplished only with the identified prime contractor despite the CAGE identification to the actual manufacturer. These parts should be considered likely candidates for breakout to direct purchase from AMC 5 to AMC 4.

E-202    Assignment of codes.

In the case of parts with an assigned AMSC of U or V, if another source is approved, but a complete technical data package for unrestricted competition is not available, the AMC will be changed to 2 and the AMSC will be changed to AMSC C or R, or other, as appropriate. Only valid combinations of AMC/AMSCs shall be entered into the Contracting Technical Data File (see DFARS exhibit I).

E-203    Improving part status.

(b) Code Suspension Date. A 1-year code suspense validation date will be assigned to parts with an ASMC or A, H, or Y regardless of the AMC. A 3-year suspense date will be assigned to parts having an AMSC of C, U, or V. A 5-year suspense date will be assigned to parts with an AMSC of B, P, or R and parts with an AMC/AMSC of M or 4M. Parts with an assigned AMC/AMSC of 1G, 2G, 1K, 2K, 1M, 2M, 1N, 2N, 1T, or 2T and those with an AMSC of L need not be subject to the code suspense validation. Exceptions may be made on a case-by-case basis as necessary. Suspense dates should

not be changed merely to update the assigned date but should be made in conjunction with a review or screen based upon an anticipated forecast or immediate buy action. Buys shall not be held up simply to review the part for application of a new suspense date, unless the contracting officer determines that the buy can be held up until the review and any breakout action is completed (see DFARS Appendix E-105 (e)(2)).

### PART 3 - IDENTIFICATION, SELECTION, AND SCREENING OF PARTS

#### E-301 Identification and selection procedures.

##### E-301.2 Annual buy forecasts.

An annual projection of estimated buy activity prepared quarterly shall be used to initially list parts in descending buy dollar order down to \$5,000 reflecting projections for the next 12 months. These projections shall be the basis for selecting items to be screened for possible breakout. Care shall be taken to assure that an item selected in this manner is not redundant with planned or ongoing breakout activity in another program/effort, such as, but not limited to, Value Engineering and Evaluation of Alternate Offers.

#### E-302 Screening.

(a) When results of a screening action indicate there is no expectation of breakout, consideration should be given, where applicable, to any other ongoing programs that may improve price or lead time. Examples of such other programs include, but are not limited to, Value Engineering and the Competition Advocate Program. A folder shall be maintained for all screened parts to include any pertinent reports, analysis, documents, etc., that relate to the assigned AMC/AMSC (see DFARS Appendix E-302(i)).

#### E-303 Full Screening procedure.

##### E-303.2 Data evaluation phase (steps 2-14).

(c)(4) Prior to expenditure of funds for acquisition of technical data to effect a breakout action, a review of data requirements shall be conducted in accordance with DLAM 4185.14, DLA Technical Data Management Program. When there is any doubt as to acceptability by the cognizant Military Service of data to be acquired to effect the desired AMC/AMSC change, the data shall not be procured by the DSC. Instead, all breakout activity for the part shall be summarized and forwarded to the cognizant Military Service activity with a recommendation that they pursue acquisition of the necessary data (see DFARS Appendix E-303.2(c)(4)).

### PART 5 - REPORTING SYSTEM

#### E-502 Reporting procedures.

(c) DSCs shall forward reports to HQ DLA, ATTN: **MML**, no later than 30 days after the end of each period designated.